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SUBJECT: U.S. DOL SECRETARY CHAO ATTENDS WORK SAFETY FORUM

1.(SBU) SUMMARY: Secretary of Labor Elaine L. Chao, visited Beijing on Nov. 18, 2008, for the Fourth International Forum on Work Safety. The Secretary encouraged the Chinese government to build on its legal framework for occupational health and safety, by strengthening supervision and education programs. In a private meeting, Chinese officials admitted the difficulties of enforcing work safety guidelines. They also outlined work safety objectives for the problematic coal mining sector, including closing one-half of all mines by 2010. SAWS has made similar pledges in the past, which it has never fully honored. The Secretary's visit was widely covered in the media and helped raise the profile of work safety issues.  
END SUMMARY.

12. (U) Secretary of Labor Elaine L. Chao attended the Opening Ceremonies of the Fourth China International Forum on Work Safety on Nov. 18, 2008. The biennial forum is sponsored by the State Administration of Worker Safety (SAWS) to both learn from the best practices of foreign countries in the areas of occupational health and safety, and to present Chinese progress. This year's forum included a separate trade show of work safety equipment. Secretary Chao was a featured speaker at the Opening Ceremonies.

#### Work Safety Integral to China's Development Goals

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13. (U) Vice Premier Zhang Dejiang opened the forum by stressing the importance of workplace safety to the Chinese government. He noted that the scientific development approach towards China's economy must include both a legal framework and a supervisory system for occupational health and safety. He emphasized that work safety is a fundamental part of people's livelihood and thus must be an integral part of the government's development goals.

#### U.S.: Over A Century of Workplace Safety Efforts

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14. (U) Secretary Chao's address to the more than 400 conference attendees stressed the United States' century-long effort to improve workplace and mine safety - from the Mine Safety Act of 1891 to the Mine Improvement and Emergency Response Act of 2006. She emphasized the importance of enforcement of relevant laws, citing the 66 percent increase in the Mine Safety and Health Administration's (MSHA) enforcement actions between 2000 and 2007. She added that a comprehensive work safety program must also include worker education and training, and introduced the considerable education and outreach programs operated by the Occupational Safety and Health Administration (OSHA) and MSHA. Secretary Chao introduced OSHA's Voluntary Protection Program (VPP) which allows companies to establish workplace safety, health and injury standards which exceed OSHA requirements. These VPP firms report injury and illness rates 50 percent the expected rate, and achieved annual savings of USD 230 million. Finally, the Secretary highlighted the cooperation between DOL and the Chinese Government, noting that last year, OSHA and MSHA's letters of understanding with their Chinese counterparts to share best practices in workplace and mine safety were extended to 2011.

#### China: Legal Framework Set; But Enforcement Lacking

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15. (U) The other guest speakers reiterated a common theme: that China had made great progress in its legal framework to promote occupational safety and health, but the state's inspection and enforcement capabilities are still lacking. ILO Director General Juan Somavia, in a recorded message, cautioned that work safety should not become a casualty of the current financial crisis. Australian Ambassador Geoff Raby strongly encouraged China to consider work safety as a key part of economic development. Finnish Minister for Social Affairs and Health, Liisa Hysalla, emphasized that work safety was an integral and fundamental human rights issue.

#### Evaluate Officials on Work Safety Results

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16. (U) SAWS Acting Minister Zhao Tiechui closed the opening ceremonies by sharing some of China's work safety achievements. He noted that from 2002 to 2007, annual coal production jumped from 1.4 billion tons to 2.5 billion tons, while the total number of mining fatalities dropped. He encouraged the Chinese state at all levels to include work safety components in government officials' evaluation criteria, in addition to traditional economic development goals. He admitted that the broad geographic distribution of some 20,000 coal mines in China complicated SAWS efforts to enforce mine safety guidelines. SAWS intends to work with the State Council to ensure that the smallest and most poorly equipped mines are closed. He said SAWS also intends to strengthen enforcement with a public "blacklist" of enterprises and mines with poor safety records.

17. (SBU) Acting Minister Zhao hosted Secretary Chao to a lunch with SAWS representatives following the opening ceremonies. He thanked

BEIJING 00004330 002 OF 002

the Secretary for her participation, which he said would certainly raise the profile of this year's Work Safety Forum. He noted that it was during her tenure that the letters of understanding with DOL were signed and extended. Secretary Chao responded "it speaks volumes that China hosts this event," and said she was happy to offer her support. China had made great strides, she continued, but it still needs a stronger system of enforcement combined with employee and employer training programs.

#### New Safety Targets with Coal Mine Restructuring

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18. (SBU) Mr. Ji Guoyou, briefed the Secretary on recent coal mine accidents. Just days earlier, a small mine in Henan flooded. Thanks to advanced rescue methods, the Chinese had just learned 33 miners had been saved, although there was one fatality. He said the mine typified the safety problems of small mines - defined as those with production of less than 300,000 tons per annum and 30 to 200 employees. The Chinese intend to close many of these, and to publicly blacklist those with poor safety records. By 2010, he said, China will reduce the number of coal mines to 10,000, and to keep coal production within 2.8 billion tons per annum. SAWS will try to bring total fatalities to within 1 per million tons of coal mined for the industry overall, and for key state-owned mines to 0.3 per million tons of coal. This will place China's coal mine safety performance in the range of middle-developed countries, while the largest mines will begin to reach developed country safety rates.

19. (SBU) SAWS Vice Minister Liang Jiakun described the State Administration for Coal Mine Safety, which has 25 provincial bureaus, 71 sub-bureaus, and some 3000 employees. However, it still must oversee some 20,000 active coal mines, thus enforcement remains difficult. VM Liang affirmed his respect for the U.S. system where once a law is passed, it is generally followed. Secretary Chao explained the U.S. system had its own issues. The open, transparent regulatory process is time consuming: once a law is passed, the Department must draft regulations, submit them for public comment, redraft, and finally implement them. But the result of such transparency is that workers and employers are well aware of laws once they are implemented, and thus they are generally law abiding.

No More Free Lunches for Chinese Mine Inspectors

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¶10. (SBU) SAWS Vice Minister Zhao Anqing thanked the Secretary for the exchanges she has facilitated for various SAWS members to visit the U.S. over the past years. He noted such trips never failed to offer practical lessons. During a visit with a mine inspector in Colorado, he was shocked to learn the man was 70 years old. In China, an inspector would have to retire at age 60, whereas the U.S. system chose to value the inspector's experience. He also learned that mine inspectors were not able to accept meals from the mining companies that they inspect. He realized this was a huge cultural difference. Yet inspired by the U.S. example, on his return, SAWS implemented the same requirement for its own inspectors, who now must buy their own meals.

¶11. (SBU) Following the SAWS Work Safety Forum, the Secretary made a speech to 500 enthusiastic students at Tsinghua University, China's leading engineering and sciences school. Students asked diverse questions about the state of the U.S. economy and how to how to overcome gender or minority discrimination in the workplace. The Secretary encouraged them to have confidence in their contribution and to maintain a positive attitude.

¶12. (SBU) COMMENT: The Secretary's speech at the Work Safety Forum was widely covered in the Chinese press, and clearly helped raise the profile of the Forum in Chinese media. While Chinese officials expressed admiration for the enforcement mechanisms of foreign countries, they did not elaborate much on their own initiatives. It was not clear whether the enterprise "blacklist" would include other punitive measures, such as fines or temporary closures. SAWS has made repeated pledges over the past several years to close small, dangerous mines which it has not been able to fully honor. It was not clear that this most recent pledge on closures would be any different. END COMMENT.

¶13. (U) This cable was cleared by the Secretary's delegation.